



credit
union

NEWS HIGHLIGHTS

- INSURED LOANS
- LIBERAL DIVIDENDS
- LOW COST LOANS
- LOAN COUNSELING
- UP-TO-DATE INFORMATION

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2 October 1972

DIVIDEND DECLARATION and
INTEREST RATE REDUCTIONS

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The Board of Directors is pleased to announce a 6% dividend for the quarter ending 30 September 1972.

The Board has also approved reductions in interest rates and charges effective 2 October 1972 on several categories of loans. The reductions apply to outstanding loans as well as loans made on or after the effective date. Members with the following types of loans do not have to reapply for the reduced rate; the rate and charges starting 2 October 1972 will be reduced automatically on the following:

- Signature Loans and Comaker Loans which were made at the 12% rate have been reduced to 10.8%.
- Loans secured by used automobiles or new or used trailers, trucks, mobile homes, boats, and airplanes have been reduced from 9% to 8%.
- Loans secured by new automobiles which were made at 9% have been reduced to 8%.
- Home Improvement Loans have been reduced from 9% to 8%.
- Loans secured by stocks, bonds, or mutual fund holdings have been reduced from 9% to 8%.

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- Loans secured by first mortgages or deeds of trust which were made at 9% have been reduced to 7.8%.
- Loans secured by share accounts which were written at 9% have been reduced to 8%.

In addition, the Board has revised the policy with respect to loans which are secured by share accounts and has adopted the following rate schedule for new loans for which shares are offered as collateral:

- 6% will be charged for Share Loans which do not exceed 80% of the share balance and which are to be repaid in 5 years or less and in at least monthly, substantially equal payments.
- 6.5% will be charged for Share Loans in amounts in excess of 80% of the share balance when such loans are to be repaid in 5 years or less and in at least monthly, substantially equal payments. Up to 133% of the share balance may be borrowed at this rate.
- 7.8% will be charged for Share Loans which extend for more than 5 years or on which payments are to be made less frequently than monthly. Up to 133% of the share balance may be borrowed at this rate.

Currently some members have Share Loans made at 6% for the first 80% of shares and at 9% for the remainder. The new Share Loan policy no longer requires or permits new loans with this particular double note requirement. Members with such double loans may reapply for a single loan to be written at the 6.5% rate.

Members will be permitted to have both 6.5% and 7.8% Share Loans which are consistent with the above-stated collateral and amortization requirements.

The amount by which a Share Loan may exceed the actual share balance is governed in each case by the statutory limit on a member's unsecured loan eligibility.

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